

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

**SUBJECT: REPORT ON BIDS FOR
DESKTOP COMPUTERS**

DATE: May 4, 2006

Approved

Deanna Johnson

Date

5/10/06

RECOMMENDATION

1. Report on bids and award the purchase of 750 personal computers (PCs), monitors, peripherals and extended maintenance to the lowest responsive bidder, ComputerLand of Silicon Valley (San Jose, CA), in the amount of \$782,301.95:
2. Adoption of a resolution authorizing the Director of Finance
 - a. execute an Agreement for the purchase of PCs for an initial one year term, including the initial purchase of 750 PCs, and
 - b. purchase additional quantities of computers and related items on an as-required basis at the same unit pricing without further Council action other than the appropriation of funding
 - c. exercise two additional one-year options to renew without further Council action other than the appropriation of funds

OUTCOME

Establish a cost-effective and efficient citywide contract for PC products and peripherals for the next three years.

BACKGROUND

On April 26, 2005 (item 3.5) Council approved award to Hewlett Packard (HP) as the lowest bidder for the purchase of personal computers, monitors, and related computer peripherals for the new City Hall and an as-required basis for one year. The contract expired April 26, 2006.

ANALYSIS

A notice requesting bids was issued on March 16, 2006. The requirement was advertised on the City's Bid Line and on the DemandStar Bid Notification System, which proactively notifies suppliers. Over 150 companies were notified of the requirement, 43 companies requested the bid document and a total of five bids were received and publicly opened by the deadline of April 5,



2006. One bid was received one day after the deadline and returned to bidder unopened. Of the five bids received by the bid deadline, two bids were deemed non-responsive as follows:

1. Jones Enterprises' bid (San Jose, CA) was deemed non-responsive because the flat panel monitor submitted in the bid did not meet the required minimum specification for horizontal and vertical viewing angles.
2. Chussy International's bid (Oakland, CA) was deemed non-responsive because pricing was not submitted on the City's pricing form.

Responsive bids were received from ComputerLand, Hewlett Packard, and CDW-G and are summarized in the following table:

	1	2		3		4	5	6
Vendors	Bid Total	Local Business Enterprise (LBE) 2.5%		Small Business Enterprise (SBE) 2.5%		Adjusted Total (1+2+3)	Sales Tax	Award Total (1+5)
ComputerLand (San Jose, CA)	\$724,910.00	Yes	-\$18,122.75	Yes	-\$18,122.75	\$688,664.50	\$57,391.95	\$782,301.95
Hewlett Packard (Palo Alto, CA)	\$763,160.00	Yes	-\$19,079.00	No		\$744,081.00	\$57,020.70	\$820,180.70
CDW-G (Vernon Hills, IL)	\$795,463.50	No		No		\$795,463.50	\$59,036.05	\$854,499.55

ComputerLand received preference as a local and small business enterprise and Hewlett Packard received preference as a local business enterprise. The business preferences had no effect on the bid award.

This contract will serve as a master agreement to allow the City to purchase PCs, monitors, and related peripherals for the next three years. Based on historical purchase patterns, it is anticipated that the City will acquire approximately 750 PCs and monitors at a fixed price. In addition, the resolution allows the City to purchase additional quantities, if needed. To ensure the most competitive pricing over the three year period, pricing is capped at the bid amount and will be subject to price decrease adjustments every six months as market conditions change. Under a separate procurement process, staff will request Council approval for a contract which includes laptops, printers, and other computer peripherals in June.

In accordance with the City's Environmental Preferable Purchasing Policy, the bid specifications included Environmental Protection Agency (EPA) and Department of Energy requirements for desktop computers and monitors. Bidders were required to confirm compliance to the EPA's new Electronic Product Environmental Assessment Tool (EPEAT) which includes: Reduction/Elimination of Environmentally Sensitive Materials, Materials Selection, Design for End of Life, Product Longevity/Life Cycle Extension, Energy Conservation, End of Life Management, Corporate Performance and Packaging.



As part of this contract award, ComputerLand will extend the same bid desktop/monitor pricing to City Employees. ComputerLand will provide two ways for City employees to place orders: (1) an Employee Purchase Plan on-line ordering link embedded in the Citybuy.com website or (2) by calling ComputerLand at (408) 519-3224. City employees will need to identify themselves with City identification or valid City email address to process the orders. For orders placed online, employees can use their personal credit cards. Employees wishing to pay cash or check must visit the ComputerLand office for order processing. Employees may pickup their ordered items directly from ComputerLand office in downtown San Jose or request home delivery at no charge, if the order can be received at the time of delivery (some restrictions may apply).

SUMMARY

Staff recommends the award to ComputerLand as the lowest responsive bidder in accordance with the formal bidding procedures of the San Jose Municipal Code, Section 4.12.030. Pursuant to the Council's budget actions, controls continue to remain in place to ensure the required exception approvals have first been obtained from both Budget Office and Information Technology Department.

ALTERNATIVE

Not applicable.

PUBLIC OUTREACH

The Request for Bid was advertised on the City's Bid Line and on the DemandStar Bid Notification System, which proactively notifies suppliers.

COORDINATION

This memorandum has been coordinated with the Information Technology Department, City Manager's Budget Office, the Office of Employee Relations, and the City Attorney's Office.

COST IMPLICATIONS

The source of this funding will be from varied department funds. It will be a Citywide unencumbered purchase order.

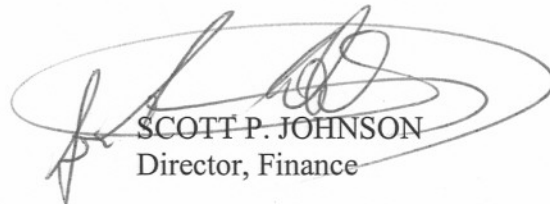
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BUDGET REFERENCE

Not applicable.

CEQA

Not a project.


SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.

